

Prepared for
Connecticut Training Center



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Prepared by
U.S. Department of Education
Federal Student Aid
School Participation Division – Boston/New York

Program Review Report

July 18, 2012

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A. Institutional Information

Connecticut Training Center
1137 Main Street
East Hartford, Connecticut 06108

Type: Private, Non-profit

Highest Level of Offering: Non-Degree 1 Year (900-1799 hours)

Accrediting Agency: Accrediting Council for Independent Colleges and Schools

Current Student Enrollment: 424 (2010)

% of Students Receiving Title IV: 86% (2010)

Title IV Participation:

	2008-2009	2009-2010
Pell Grant	\$696,674	\$657,484
FDLP Stafford Subsidized	\$433,266	\$411,623
FDLP Stafford Unsubsidized	\$553,667	\$422,750
FDLP PLUS	\$77,444	\$62,949
Federal Supplemental Educational Opportunity Grant	\$59,725	\$43,543
Federal Work Study	\$16,745	\$15,745
Total	\$1,837,521	\$1,614,094
Default Rate FFEL/DL:	2009 16.8%	
	2008 20.2%	
	2007 20.9%	

B. Scope of Review

The U.S. Department of Education (Department) conducted a program review at Connecticut Training Center (CTC) from November 30, 2009 to December 8, 2009. The review was conducted by Mr. Lonny R. Meloon and Mr. Gary Caramanis.

The focus of the review was to determine CTC's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of CTC's policies and procedures regarding institutional and student eligibility, return of Title IV, credit balances, enrollment status, individual student financial aid and academic files, attendance records, student account ledgers, and fiscal records.

A sample of 30 files was identified for review from the 2008-2009 and 2009-2010 award years (year to date). The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year.

Disclaimer

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning CTC's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve CTC of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

This report reflects initial findings. These findings are not final. The Department will issue its final findings in a subsequent Final Program Review Determination letter.

C. Findings

During the review several areas of noncompliance were identified. Findings of noncompliance are referenced to the applicable statutes and regulations and specify the actions to be taken by CTC to bring operations of the financial aid programs into compliance with the statutes and regulations.

Finding 1: Federal Supplemental Educational Opportunity Grant (FSEOG) – No Written Selection Procedures and Exceptional Need not Met

Citation: Section 413(c)(2) of the Higher Education Act of 1965, as amended, requires that each institution of higher education participating in the FSEOG Program assure its selection procedures will be designed to make FSEOG awards first to students with exceptional need and will give priority for FSEOG awards to students who receive Federal Pell Grants. The term students with "exceptional need" means students with the lowest Expected Family Contribution (EFC) at the institution.

34 C.F.R 676.10(a)(1)(2) of the FSEOG regulations state that in selecting among eligible students for FSEOG awards in each award year, an institution shall select those students with the lowest EFC who will also receive Federal Pell Grants in that year. If the institution has FSEOG funds remaining after giving FSEOG awards to all the Federal Pell Grant recipients at the institution, the institution shall award the remaining FSEOG funds to those eligible students with the lowest EFC who will not receive Federal Pell Grants.

34 C.F.R 676.10(a)(1)(2) of the FSEOG regulations state that in selecting among eligible students for FSEOG awards in each award year, an institution shall select those students with the lowest EFC who will also receive Federal Pell Grants in that year. If the institution has FSEOG funds remaining after giving FSEOG awards to all the Federal Pell Grant recipients at the institution, the institution shall award the remaining FSEOG funds to those eligible students with the lowest EFC who will not receive Federal Pell Grants.

Noncompliance: CTC did not have written procedures for the selection of students for FSEOG awards. It appeared that CTC awarded FSEOG arbitrarily because students with the same circumstances were not awarded FSEOG similarly.

For example, student numbers 3 and 4 had a 0 EFC reported on the Institutional Student Information Report (ISIR); student number 3 received a \$3,548 Federal Pell Grant award and student number 4 received a \$2,523 Federal Pell Grant award. However, neither student was awarded FSEOG. Conversely, student number 5 had a 0 EFC, and was awarded \$2,523 in Federal Pell Grant funds and \$2,000 in FSEOG funds.

Discussions with school officials confirmed that CTC's FSEOG awarding practice was based on a first-come, first-serve basis and arbitrarily set cutoff dates. As a consequence, CTC's FSEOG awarding practices resulted in some of its neediest students not being awarded FSEOG.

In administering its FSEOG policy, CTC is allowed to establish categories of students to be considered for an award. In addition, CTC may base such categories on class standing, enrollment status, program, date of application, or a combination of factors. By establishing these categories, CTC would be attempting to ensure that students in each category have an opportunity to be awarded FSEOG funds.

Although an institution is allowed to establish categories of students as a means of administering its packaging policies, categorization may not be used to exclude certain students or groups of students from consideration. This principle would not apply to a category made up of students whose applications are received after a specific deadline as there is no requirement to reserve funds for late applicants although the school is not precluded from doing so.

However, if CTC knows that its FSEOG funds are so limited as to exclude year after year categories of students who began their program later in the sequence due to its rolling admissions policy, CTC is not in compliance with the Higher Education Act of 1965, as amended.

The reviewers requested and received copies of the 2008-2009 and 2009-2010 FSEOG disbursement rosters. Upon review of these rosters, it was noted that CTC made substantial FSEOG awards to some of its students. Although those awards were within the range established by the FSEOG regulations, because CTC's selection practices were arbitrary, needy students who were eligible because they had a 0 EFC were not awarded FSEOG while students with higher EFCs were awarded substantial FSEOG awards.

Student numbers 3, 4, 11, 13, 16, 17, 18, 19, 20, 23, 24, 27 and 29 had 0 EFCs but did not receive FSEOG while students with higher EFCs received FSEOG funds.

For example, student number 9 had an \$832 EFC reported on the ISAR and received \$158 in FESOG funds. Similarly, student number 14 had an \$831 EFC reported on the ISAR and received a \$1,000 FESOG.

Required Action: While reviewers were on-site, CTC developed written FSEOG selection procedures and submitted these procedures to the reviewers. CTC's newly developed procedures ensure that FSEOG recipients are selected on the basis of the lowest EFC and Pell Grant priority requirements over the entire award year. CTC's new procedures are now in compliance with the regulations. In its response, CTC must provide its assurances that it adhered to its newly developed selection procedures for all FSEOG awards subsequent to the program review. **Note that there is no liability as a result of this finding as all students were eligible to receive the funds but not all eligible students were given an equal opportunity to receive the funds.**

Finding 2: FSEOG – Federal Share Limitation

Citation: 34 C.F.R. § 676.21(a) of the FSEOG regulations state, in part, that except as provided in paragraph (b) of this section, for the 1993 – 94 award year and subsequent award years, the Federal share of the FSEOG awards made by an institution may not exceed 75 percent of the amount of FSEOG awards made by that institution.

34 C.F.R. § 676.21(c) states, in part, that the non-Federal share of FSEOG awards must be made from the institution's own resources, which include for this purpose:

- (1) Institutional grants and scholarships;
- (2) Tuition or fee waivers;
- (3) State scholarships; and

(4) Foundation or other charitable organization funds.

Noncompliance: CTC did not provide matching funds in a timely manner for FSEOG funds disbursed for the 2008-2009 and 2009-2010 award years. CTC failed to ensure that it did not exceed the 75 percent federal share at the time FSEOG funds were disbursed. The FSEOG program requires participating institutions to match FSEOG funds with its own resources *prior to or contemporaneous* to Federal funds being disbursed.

During the review it was ascertained that CTC's practice was to match the FSEOG funds drawn down and disbursed throughout the 2008-2009 and 2009-2010 award years after the end of those award years. Although CTC did make the required match and awarded students with the institutional share, the match was not made timely and, hence, funds were not available to make FSEOG awards throughout the year.

Required Action: CTC must revise its FSEOG matching process to comply with regulations. In its response to this report, CTC must provide a copy of its revised policy and procedures.

Finding 3: Notice of Amounts and Types of Title IV Aid – Award Letter

Citation: 34 C.F.R § 668.165(a)(1) of the Student Assistance General Provision regulations state that before an institution disburses Title IV, HEA program funds for any award year, the institution must notify a student of the amount of funds that the student or his or her parent can expect to receive under each Title IV, HEA program, and how and when those funds will be disbursed. If those funds include Direct Loan or FFEL Program funds, the notice must indicate which funds are from subsidized loans and which are from unsubsidized loans.

Noncompliance: CTC failed to amend student award letters when the aid awarded to students and/or parents changed. Several instances were identified where CTC did not amend the notifications to accurately reflect the aid the students actually were awarded.

For student number 1, the award letter reflected that the student would receive an unsubsidized loan for \$3,439. The student's ledger reflected an unsubsidized loan for \$1,558. School officials confirmed that neither CTC nor its servicer sent an amended award letter to reflect the actual amount of financial aid the student received.

Similarly, student number 8's award letter reflected that the student could expect to receive \$2,000 FSEOG, however, the student's ledger reflected that the student did not receive any FSEOG.

For student number 9, the award letter reflected that the student could expect to receive \$158 in FSEOG. However, the student's ledger reflected that the student did not receive any FSEOG.

In addition, the award letters of student numbers 11, 13, 14 and 29 indicated that these students were awarded FSEOG funds. However, the students' ledgers did not reflect that FSEOG funds were disbursed.

Required Action: CTC must revise its policy and procedures with respect to providing the required award letters. With its response to this report, CTC must provide a copy of its revised procedures. In addition, CTC must provide documentation that demonstrates it made adjustments to the award letters. Alternatively, CTC must provide an explanation for why it did not provide the students with an adjusted award letter. If awards were due to students but not paid because of an oversight on CTC's part, a liability will be assessed.

Finding 4: Federal Work Study (FWS) – Improper Employment/Community Service Requirements not Met

Citation: 34 C.F.R. § 675.8(d) of the FWS regulations state, in part, that to participate in the FWS program, an institution of higher education shall enter into a participation agreement with the Secretary. The agreement provides that, among other things, the institution shall award FWS employment, to the maximum extent practicable that will complement and reinforce each recipient's educational program or career goals.

34 C.F.R. § 675.18(g)(1) of the FWS regulations state that an institution must use at least seven percent of the sum of its initial and supplemental FWS allocations for an award year to compensate students employed in community service activities. In meeting this community service requirement, an institution must include at least one:

- (i) Reading tutoring project that employs one or more FWS students as reading tutors for children who are preschool age or are in elementary school; or
- (ii) Family literacy project that employs one or more FWS students in family literacy activities.

34 C.F.R. § 675.2(b) of the FWS regulations define Community services as services which are identified by an institution of higher education, through formal or informal consultation with local nonprofit, governmental, and community-based organizations, as designed to improve the quality of life for community residents, particularly low-income individuals, or to solve particular problems related to their needs. These services include:

- (1) Such fields as health care, child care (including child care services provided on campus that are open and accessible to the community), literacy training, education (including tutorial services), welfare, social services, transportation, housing and neighborhood improvement, public

- safety, emergency preparedness and response, crime prevention and control, recreation, rural development, and community improvement;
- (2) Work in service opportunities or youth corps as defined in section 101 of the National and Community Service Act of 1990, and service in the agencies, institutions and activities designated in section 124(a) of that Act;
 - (3) Support services to students with disabilities, including students with disabilities who are enrolled at the institution; and
 - (4) Activities in which a student serves as a mentor for such purposes as—
 - (i) Tutoring;
 - (ii) Supporting educational and recreational activities; and
 - (iii) Counseling, including career counseling.

Additionally, 34 C.F.R. § 675.22 of the Federal Work Study (FWS) regulations state, in part, that if a student is employed by a Federal, State, or local public agency, or a private nonprofit organization, the work that the student performs must be in the public interest.

The Secretary considers work in the public interest to be work performed for the national or community welfare rather than work performed to benefit a particular interest or group. Work is not in the public interest if:

- (1) It primarily benefits the members of a limited membership organization such as a credit union, a fraternal or religious order, or a cooperative;
- (2) It is for an elected official who is not responsible for the regular administration of Federal, State, or local government;
- (3) It is work as a political aide for any elected official;
- (4) A student's political support or party affiliation is taken into account in hiring him or her;
- (5) It involves any partisan or nonpartisan political activity or is associated with a faction in an election for public or party office; or
- (6) It involves lobbying on the Federal, State, or local level.

Noncompliance: CTC was not administering the FWS program in accordance with regulations. As a result of interviews with school officials, it was determined that FWS

students at CTC were employed in maintenance and janitorial positions only. School officials further stated that FWS students maintain the building premises and provide janitorial services to the non-profit tenants' offices as well. In addition, school officials confirmed that neither CTC, nor the non-profit tenants employ FWS students in community service positions. Work study shall not be used to provide the school with janitor and maintenance positions and must not displace other workers.

Required Action: CTC must bring its FWS Program into compliance with regulations to ensure that it meets the community service requirements and provides employment opportunities that will complement and reinforce students' educational programs and career goals.

In its response to this report, CTC must provide a copy of its revised FWS Program job descriptions, including community service employment job descriptions. In addition, if applicable, CTC must provide any agreement(s) between CTC and any organization(s) that will employ FWS students.

Because CTC failed to meet the FWS community service requirements and CTC was not granted a waiver, it must return FWS Federal funds in an amount that represents the difference between the amount that the CTC should have spent for community service and the amount that it actually spent.

Further, CTC must conduct a file review and submit the results in the following format:

Student Name

Disbursement Amount

Disbursement Date

Job Position

Job Description

For each FWS position, CTC must provide a justification for how each position does or does not meet FWS requirements. CTC will be apprised of any additional requirements upon the Department's review of CTC's response.

Finding 5: Annual Security Report Distribution Requirements Not Met

Citation: 34 C.F.R. § 668.41(e)(1) of the Student Assistance General Provisions regulations require that by October 1 of each year, an institution must distribute to all enrolled students and current employees its annual security report described in 34 C.F.R. § 668.46(b), through appropriate publications and mailings, including:

- Direct mailing to each individual through the U.S. Postal Service, campus mail or electronic mail;
- A publication or publications provided directly to each individual; or

- Posting on an Internet website or Intranet website, subject to paragraphs (e)(2) and (3) of this section.

34 C.F.R. § 668.41(b) of the Student Assistance General Provisions regulations require institutions that elect to disclose its annual security report through Internet or Intranet websites, are subject to paragraphs (c)(2), (e)(2) through (4), or (g)(1)(ii) of this section, as appropriate, and such institution may satisfy any requirement to disclose information under paragraph (d), (e), or (g) of this section for enrolled students or current employees by posting the information on an Internet website or an Intranet website that is reasonably accessible to the individuals to whom the information must be disclosed; and prospective students or prospective employees by posting the information on an Internet website.

In addition, 34 C.F.R. § 668.41(c)(2) of the Student Assistance General Provisions regulations require that the information on an Internet website or an Intranet website must include in the notice described in paragraph (c)(1) of this section:

- the exact electronic address at which the information is posted; and
- a statement that the institution will provide a paper copy of the information on request

Noncompliance: CTC failed to properly distribute its annual security report to any of its enrolled students and current employees.

Although CTC's annual security report contained all the elements required in 34 C.F.R. § 668.46(b), but CTC improperly posted the report to its website without sending a direct link to any of its enrolled students and current employees in accordance with 34 C.F.R. § 668.41(e).

CTC is reminded that the purpose, publication and dissemination of the annual security report is to enable current and prospective students and staff members to make educated decisions about the safety of the campus and surrounding area. An institution does not fulfill its responsibilities by merely publishing its annual security report. The dissemination of the report to current staff and enrolled students as well as prospective students and employees is imperative.

Required Action: CTC must revise its policies and procedures to include mechanisms to ensure its annual security report is actively distributed to enrolled students and current employees, and made available upon request to prospective students and employees as prescribed by the regulations.

In its response to this report, CTC must submit a copy of its revised policies and procedures that demonstrates CTC is in compliance with the annual security report regulations. Additionally, CTC must ensure that its most recent annual security report has been actively distributed to enrolled students and current employees.

Finding 6: Failure to Properly Document Exit Counseling

Citation: 34 C.F.R. § 685.304(b)(1)(2)(3) of the Federal Direct Student Loan Program regulations state, in part, that a school must ensure that exit counseling is conducted with each Direct Subsidized Loan or Direct Unsubsidized Loan borrower shortly before the student borrower ceases at least half-time study at the school. The exit counseling must be in person, by audiovisual presentation, or by interactive electronic means. In each case, the school must ensure that an individual with expertise in the Title IV programs is reasonably available shortly after the counseling to answer the student borrower's questions. If a student borrower withdraws from school without the school's prior knowledge or fails to complete the exit counseling as required, exit counseling must be provided either through interactive means or by mailing written counseling materials to the student borrower at the student borrower's last known address within 30 days after the school learns that the student borrower has withdrawn from school or failed to complete the exit counseling as required.

Additionally, 34 C.F.R. § 685.304(b)(7) of the Federal Direct Student Loan Program regulations state the school must maintain documentation substantiating the school's compliance with this section for each student borrower.

Noncompliance: CTC failed to properly document that exit counseling had been conducted for student numbers 1, 3, 10, 20, and 21.

Required Action: With its response to this report, CTC must provide proof that the required exit loan counseling has been performed for the students noted in this finding. In addition, CTC must develop and implement procedures to ensure its exit counseling practices meet regulatory requirements. Please provide a copy of your revised procedures and internal controls with your response to this report.

Prepared for
Connecticut Training Center

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Prepared by
U.S. Department of Education
Federal Student Aid
School Participation Division – Boston/New York

Final Program Review Determination

March 26, 2015

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A. Institutional Information

Connecticut Training Center
1137 Main Street
East Hartford, Connecticut 06108

School Closed on December 31, 2011

Type: Private, Nonprofit

Highest Level of Offering: Non-Degree 1 Year (900-1799 hours)

Accrediting Agency: Accrediting Council for Independent Colleges and Schools

Current Student Enrollment: 424 (2010)

% of Students Receiving Title IV, HEA funds: 86% (2010)

Title IV HEA Program Participation: G5

	2008-2009	2009-2010	2010-2011
Federal Pell Grant	\$ 691,891	\$ 661,488	\$476,504
Federal Direct Loans	\$1,146,996	\$ 798,216	\$464,062
Federal Supplemental Educational Opportunity Grant	\$ 37,175	\$ 31,695	\$ 26,437
Federal Work Study	\$ 15,234	\$ 15,994	\$ 2,510
Total	\$1,891,296	\$1,507,393	\$969,513

Default Rate FFEL/DL:	2011	27.9%
	2010	18.1%
	2009	16.8%

B. Scope of Review

The U.S. Department of Education (Department) conducted a program review at Connecticut Training Center (CTC) from November 30, 2009 to December 8, 2009. The review was conducted by Mr. Lonny R. Meloon and Mr. Gary Caramanis.

The focus of the review was to determine CTC's compliance with the statutes and federal regulations as they pertain to CTC's administration of Title IV programs. The review consisted of, but was not limited to, an examination of CTC's policies and procedures regarding institutional and student eligibility, return of Title IV, credit balances, enrollment status, individual student financial aid and academic files, attendance records, student account ledgers, and fiscal records.

A sample of 30 files was identified for review from the 2008-2009 and 2009-2010 award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year.

Appendix A lists the names of the students whose files were examined during the program review.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning CTC's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve CTC of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

C. Findings and Final Determinations

During the review, several areas of noncompliance were noted. Findings of noncompliance are referenced to the applicable statutes and regulations and specify the actions to be taken by CTC to bring operations of the financial aid programs into compliance with the statutes and regulations.

CTC did not respond to the program review report. On November 14, 2014, another letter was sent to CTC stating that the Department had not received its response to the program review report. The Department has not received a response to date.

Findings Requiring No Further Action:

Findings 1, 2 and 6

CTC did not take the corrective actions necessary to resolve Findings 1, 2 and 6 of the program review report. However, CTC ceased operation on December 31, 2011, and these findings did not establish liabilities or were of a procedural nature requiring explanations. Therefore, these findings may be considered closed. Findings requiring further action by CTC are discussed below.

Findings with Final Determinations

The program review report findings requiring further action are summarized below. A copy of the program review report issued on July 18, 2012 is attached as Appendix B.

Finding 3: Notice of Amounts and Types of Title IV Aid not Accurate

Citation Summary:

Before an institution disburses Title IV, HEA program funds for any award year, the institution must notify a student of the amount of funds that the student or his or her parent can expect to receive under each Title IV, HEA program, and how and when those funds will be disbursed. If those funds include Direct Loan or FFEL Program funds, the notice must indicate which funds are from subsidized loans and which are from unsubsidized loans. 34 C.F.R. § 668.165(a)(1)

Noncompliance Summary:

CTC failed to amend student award letters when the aid awarded to students and/or parents changed. Several instances were identified where CTC did not amend the notifications to accurately reflect the aid the students actually were awarded.

For Student 1, the award letter reflected that the student would receive an unsubsidized loan for \$3,439. The student's ledger reflected an unsubsidized loan for \$1,558. School officials confirmed that neither CTC nor its servicer sent an amended award letter to reflect the actual amount of financial aid the student received.

Student 8's award letter reflected that the student could expect to receive a \$2,000 FSEOG, however, the student's ledger reflected that the student did not receive any FSEOG.

For Student 9, the award letter reflected that the student could expect to receive \$158 in FSEOG. However, the student's ledger reflected that the student did not receive any FSEOG.

In addition, the award letters of Students 11, 13, 14 and 29 indicated that these students were awarded FSEOG funds, but the student ledgers did not reflect that FSEOG funds were disbursed.

Required Action Summary:

CTC was instructed to provide the Department with a copy of its revised policy and procedures regarding its award letters with its response to the program review report. In addition, CTC was

required to provide documentation which demonstrated that it had made the necessary adjustments to the award letters. Alternatively, CTC was given the option to provide the Department with an explanation for why CTC had not provided the students with a revised award letter. The Department noted that if those students had not been awarded properly due to an oversight on CTC's part, the Department would assess a liability.

CTC's Response:

CTC did not respond to the program review report. As a result, the Department did not receive the amended award letters or an explanation as to why CTC was not required to provide these students with amended award letters.

Final Determination:

For Student 1, the award letter reflected that the student would receive an unsubsidized loan for \$3,439. The student's ledger reflected an unsubsidized loan for \$1,558. NSLDS reflects that the entire loan amount was cancelled. In addition, \$3,811 in Neighborhood Assistance Act Tax Credit Program (NAA) funds, which were not reflected on the award letter, were credited on the ledger. These funds brought the student's balance to \$0 for the term.

Student 8's award letter reflected that the student could expect to receive a \$2,000 FSEOG. Although the FSEOG was not credited on the ledger, \$5,742 in NAA funds, which were not reflected on the award letter, were credited on the ledger. These funds brought the student's balance to \$0 for the term.

For Student 9, the award letter reflected that the student could expect to receive \$158 in FSEOG. Although the FSEOG was not credited on the ledger, \$348 in NAA funds, which were not reflected on the award letter, were credited on the student's ledger. These funds brought the student's balance to \$0 for the term.

Similarly, the award letters for Students 11, 13, 14 and 29 reflected that these students were awarded FSEOG funds, but the student ledgers did not reflect that FSEOG funds were disbursed. In all cases, it appears that NAA funds were used to replace the FSEOG funds and brought the student balances to \$0.

Since it appears the students were not harmed, the Department will not establish a liability for this finding. No further action is required.

Finding 4: Federal Work Study (FWS) Improper Employment/Community Service Requirement not Met

Citation Summary:

An institution of higher education shall enter into a participation agreement with the Secretary. The agreement provides that, among other things, the institution shall award FWS employment, to the maximum extent practicable that will complement and reinforce each recipient's educational program or career goals. 34 C.F.R. 675.8(d)

An institution must use at least seven percent of the sum of its initial and supplemental FWS allocations for an award year to compensate students employed in community service activities. In meeting this community service requirement, an institution must include at least one:

- (i) Reading tutoring project that employs one or more FWS students as reading tutors for children who are preschool age or are in elementary school; or*
- (ii) Family literacy project that employs one or more FWS students in family literacy activities. 34 C.F.R. § 675.18(g)(1)*

FWS regulations define community services as services which are identified by the an institution of higher education, through formal or informal consultation with local nonprofit, governmental, and community-based organizations as designed to improve the quality of life for community residents, particularly low-income individuals, or to solve particular problems related to their needs. These services include:

- (1) Such fields as health care, child care (including child care services provided on campus that are open and accessible to the community), literacy training, education (including tutorial services), welfare, social services, transportation, housing and neighborhood improvement, public safety, emergency preparedness and response, crime prevention and control, recreation, rural development, and community improvement;*
- (2) Work in service opportunities or youth corps as defined in section 101 of the National and Community Service Act of 1990, and service in the agencies, institutions and activities designated in section 124(a) of that Act;*
- (3) Support services to students with disabilities, including students with disabilities who are enrolled at the institution; and*
- (4) Activities in which a student serves as a mentor for such purposes as
 - (i) Tutoring;*
 - (ii) Supporting educational and recreational activities; and*
 - (iii) Counseling, including career counseling. 34 C.F.R. § 675.2(b)**

If a student is employed by a Federal, State, or local public agency, or a private nonprofit organization, the work that the student performs must be in the public interest.

The Secretary considers work in the public interest to be work performed for the national or community welfare rather than work performed to benefit a particular interest or group. Work is not in the public interest if:

- (1) It primarily benefits the members of a limited membership organization such as a credit union, a fraternal or religious order, or a cooperative;*
 - (2) It is for an elected official who is not responsible for the regular administration of Federal, State, or local government;*
 - (3) It is work as a political aide for any elected official;*
 - (4) A student's political support or party affiliation is taken into account in hiring him or her;*
 - (5) It involves any partisan or nonpartisan political activity or is associated with a faction in an election for public or party office; or*
 - (6) It involves lobbying on the Federal, State, or local level.*
- 34 C.F.R. § 675.22*

Noncompliance Summary:

CTC was not administering the FWS program in accordance with regulations. As a result of interviews with school officials, it was determined that FWS students at CTC were employed in maintenance and janitorial positions only. School officials further stated that FWS students maintain the building premises and provide janitorial services to the non-profit tenants' offices as well. In addition, school officials confirmed that neither CTC, nor the non-profit tenants employ FWS students in community service positions.

Required Action Summary:

CTC was instructed to bring its FWS Program into compliance with regulations and ensure that it met the community service requirements and provided employment opportunities that would complement and reinforce students' educational programs and career goals.

The Department further instructed CTC that it was to provide a copy of its revised FWS Program job descriptions, including community service employment job descriptions. In addition, if applicable, CTC had to provide any agreement(s) between CTC and any organization(s) that would employ FWS students.

In addition, CTC was required to conduct a full file review. CTC was required to submit the results of the file review performed which included the student name, disbursement amount, disbursement date, job position and job description to the Department. In addition, for each FWS position, CTC was required to provide a justification for how each position did or did not meet FWS requirements. CTC would be apprised of any additional requirements upon the Department's review of CTC's response.

CTC's Response:

CTC did not respond to the program review report. As a result, CTC failed to demonstrate that it met the community service requirement. In addition, CTC did not conduct the full file review, provide copies of its revised FWS Program job descriptions, including community service employment job descriptions, and provide any agreement(s) between CTC and any organization(s) that would employ FWS students.

Final Determination:

While on site at the institution, the reviewers confirmed that students received FWS funds for the hours for which they worked. Therefore, the Department will not assess a liability for funds which may have been disbursed to students in eligible FWS positions. In addition, since CTC closed the Department does not need to review any FWS employment contracts.

However, since CTC did not respond it failed to demonstrate that it had used any portion of its FWS allocation for the 2008-2009 and 2009-2010 award years to satisfy the community service requirement. As a result, seven percent of the FWS award for both award years is considered an institutional liability. The FWS award for the 2008-2009 and 2009-2010 award years was \$15,234 and \$15,994, respectively.

Therefore, the total liability associated with this finding is \$2,306, which consists of 2,185.97 (2008-2009 = \$1,066.39 + 2009-2010 = \$1,119.58) and interest of \$120.00. Details of this liability can be found in Appendix D.

Finding 5: Annual Security Report Distribution Requirements not Met

Citation Summary:

The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) and the Department's regulations require that all institutions that receive Title IV, HEA funds must, by October 1 of each year, prepare, publish and distribute to its current students and employees through appropriate publications and mailings, an annual security report (ASR) that contains, at a minimum, all of the statistical and policy elements described in 34 C.F.R. §668.46(b).

The ASR must be published and distributed as materially-complete documents. Acceptable means of delivery includes regular U.S. Mail, hand delivery, or campus mail distribution to the individual or posting on the institution's Web site. If an institution chooses to distribute its report by posting to an internet or intranet site, the institution must, by October 1 of each year, distribute a notice to all current students and employees that includes a direct link to each report (exact electronic address), a description of its contents, as well as an advisement that a paper copy will be provided upon request.

The Department's regulations also require participating institutions to provide a notice to all prospective students and employees that includes a statement about the ASR's availability, the

content of each report, and the exact electronic address of each report, if posted to an internet or intranet site. This notice must also advise interested parties how to obtain a paper copy of the ASR. Finally, an institution is required to submit its campus crime statistics to the Secretary on an annual basis. 34 C.F.R. §668.41(e)(1)-(6)

Noncompliance Summary:

CTC failed to properly distribute its 2010 annual security report to any of its enrolled students and current employees. Although CTC's 2010 annual security report contained all the elements required in 34 C.F.R. § 668.46(b), CTC improperly posted the report to its Web site without sending a direct link to any of its enrolled students and current employees in accordance with 34 C.F.R. § 668.41(e).

CTC is reminded that the purpose, publication and dissemination of the annual security report is to enable current and prospective students and staff members to make educated decisions about the safety of the campus and surrounding area. An institution does not fulfill its responsibilities by merely publishing its annual security report. The dissemination of the report to current staff and enrolled students as well as prospective students and employees is imperative.

Required Action Summary:

CTC was instructed to revise its policies and procedures to include mechanisms to ensure that it actively distributed its ASR to enrolled students and current employees, and to make the report available to prospective students and employees as prescribed by the regulations who requested a copy.

CTC was also required to submit a copy of its revised policies and procedures which would have demonstrated that CTC was in compliance with the annual campus security report regulations with its response to the program review report. Additionally, CTC had been instructed to actively distribute its most recent ASR to enrolled students and current employees.

CTC's Response:

CTC did not respond to either the program review report or warning letter which was issued on November 14, 2014. As a result, CTC failed to submit its revised policies and procedures to demonstrate that CTC was in compliance with the annual campus security report regulations. CTC also failed to submit any documentation to support that it had distributed its most recent ASR as instructed by the Department.

Final Determination:

Finding 5 of the program review report cited CTC for its failure to actively distribute its 2010 ASR to enrolled students and current employees. As a result of this violation, CTC would have normally been required to review and revise its policies and procedures regarding the preparation, publication, and distribution of ASRs. In addition, CTC would have been required to distribute this report to all required recipients in accordance with the *Clery Act* and the

institution's policies and procedures and provide evidence of that distribution to the Department.

However, because the institution voluntarily withdrew from the Title IV, FSA programs effective December 31, 2011, no further action is required at this time and this finding is now closed for purposes of this program review. Notwithstanding this action, CTC officials are advised that the exception identified in this finding constituted a serious violation of the *Clery Act* that by their nature cannot be cured. As such, CTC is put on notice that this violation would have to be addressed to the Department's satisfaction before any future application for reinstatement could be considered for approval.

D. Summary of Liabilities

The total amount calculated as liabilities from the findings in the program review determination is as follows.

Liabilities	FWS	
Finding 4	\$2,185.00	
Subtotal 1	\$2,185.00	
Finding 4 Interest	\$120.00	
Subtotal 2	\$120.00	
Total	\$2,306.00	Totals
Payable To:		
Department		\$2,306.00

E. Payment Instructions

1. Liabilities Owed to the Department

Liabilities Owed to the Department \$1,000 or More but Less Than \$100,000

CTC owes to the Department \$2,306. Payment must be made by forwarding a check made payable to the "U.S. Department of Education" to the following address within 45 days of the date of this letter:

U.S. Department of Education

P.O. Box 979026
St. Louis, MO 63197-9000

Remit checks only. Do not send correspondence to this address.

Payment must be made via check and sent to the above Post Office Box. Payment and/or adjustments made via G5 will not be accepted as payment of this liability. Instead, the school must first make any required adjustments in COD as required by the applicable finding(s) and Section II – Instructions by Title IV, HEA Program (below), remit payment, and upon receipt of payment the Department will apply the funds to the appropriate G5 award (if necessary).

The following identification data must be provided with the payment:

Amount:	\$2,306
DUNS:	805504362
TIN:	223235660
PRCN:	2010-101-27064

Terms of Payment

As a result of this final determination, the Department has created a receivable for this liability and payment must be received by the Department within **45 days of the date of this letter**. If payment is not received within the 45-day period, interest will accrue in monthly increments from the date of this determination, on the amounts owed to the Department, at the current value of funds rate in effect as established by the Treasury Department, until the date of receipt of the payment. CTC is also responsible for repaying any interest that accrues. If you have any questions regarding interest accruals or payment credits, contact the Department's Accounts Receivable Group at (202) 245-8080 and ask to speak to CTC's account representative.

If full payment cannot be made within 45 days of the date of this letter, contact the Department's Accounts Receivable Group to apply for a payment plan. Interest charges and other conditions apply. Written request may be sent to:

U.S. Department of Education
OCFO Financial Management Operations
Accounts Receivable Group
550 12th Street, S.W., Room 6114
Washington, DC 20202-4461

If within 45 days of the date of this letter, CTC has neither made payment in accordance with these instructions nor entered into an arrangement to repay the liability under terms satisfactory to the Department, the Department intends to collect the amount due and payable by administrative offset against payments due CTC from the Federal Government. CTC may object to the collection by offset only by challenging the existence or amount of the debt. To challenge

the debt, CTC must timely appeal this determination under the procedures described in the "Appeal Procedures" section of the cover letter. The Department will use those procedures to consider any objection to offset. No separate appeal opportunity will be provided. If a timely appeal is filed, the Department will defer offset until completion of the appeal, unless the Department determines that offset is necessary as provided at 34 C.F.R. § 30.28. This debt may also be referred to the Department of the Treasury for further action as authorized by the Debt Collection Improvement Act of 1996.